

DEL NORTE COUNTY ECONOMIC FORECAST

Del Norte County is located in the northwestern corner of California. The closest city with more than 100,000 residents is Eugene, Oregon, which lies 225 miles to the north. Del Norte County has a population of 27,000 people and a total of 8,200 wage and salary jobs. The per capita income is \$34,806 and the average salary per worker is \$50,787.

The public sector is the largest employer in the county, accounting for almost half of all wage and salary jobs. Pelican Bay State Penitentiary, located in Crescent City, is one of the largest entities, employing more than 1,000 people and housing approximately 2,000 inmates.

In 2016, a total of 110 total wage and salary jobs were gained in Del Norte County. This represents an increase of 1.4 percent, and is only the third year of gains since 2009. The unemployment rate improved during the course of the year, falling from 8.6 percent in 2015 to 7.5 percent in 2016.

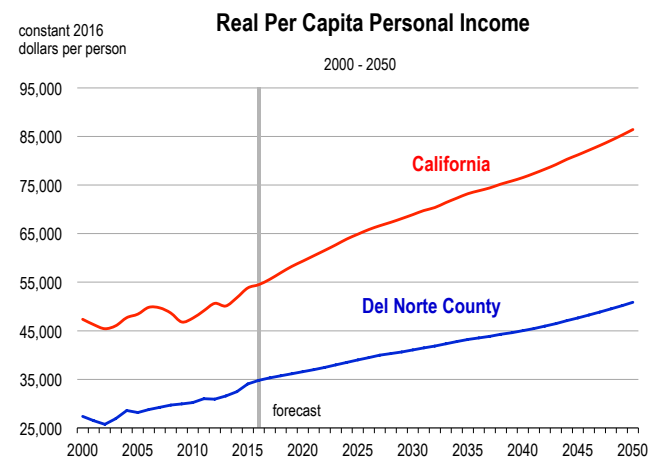
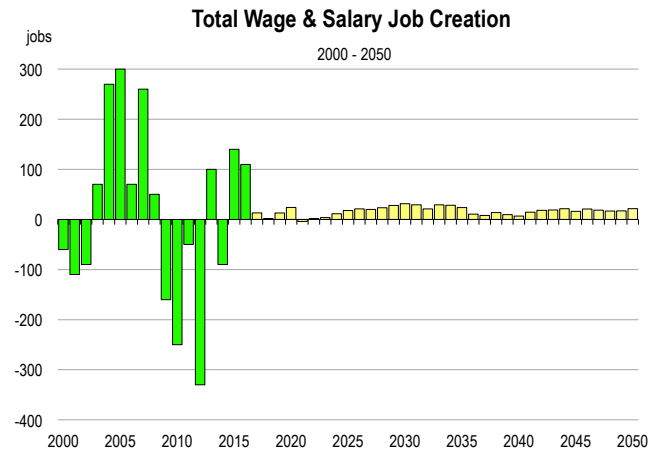
During 2016, the largest employment gains were observed in leisure services (+40 jobs), manufacturing (+20 jobs), trade, transportation, and utilities (+20 jobs), and professional services (+20 jobs). The largest losses occurred in financial activities (-10 jobs).

The population of Del Norte County declined at an annual average rate of 0.8 percent between 2011 and 2016. Net migration was sharply negative, with an average of 290 net migrants leaving the county each year. Due to an ageing population, the natural increase (new births) was very low, adding only 30 residents to the population each year.

The Del Norte County economy is at serious risk of stagnation. Job growth is expected to be very slow over the forecast period, housing production will be minimal, and inflation-adjusted salaries are not expected to increase from current levels.

FORECAST HIGHLIGHTS

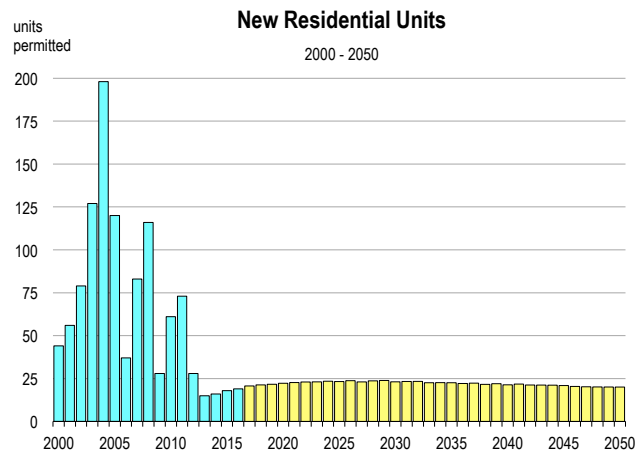
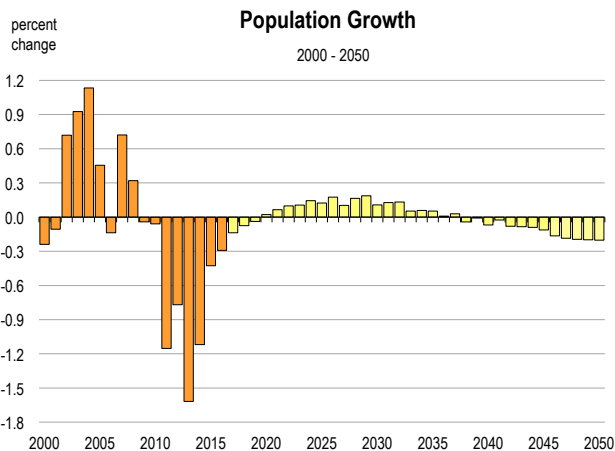
- Total wage and salary employment is expected to increase by 0.2 percent in 2017. Over the entire 2017–2022 period, growth will average 0.1 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Del Norte County, inflation-adjusted salaries are expected to grow very slowly, rising by an average of 0.1 percent per year over the 2017–2022 period.
- Between 2017 and 2022, the Del Norte County labor market will generate approximately 40 new jobs. The largest gains will be in government (+40 jobs) and healthcare and education (+20 jobs). Declines will be observed in agriculture (-10 jobs), manufacturing (-10 jobs), and information (-10 jobs).
- Over the forecast period, the size of the population is not expected to change significantly. The natural increase (new births) will add approximately 30 people to the population each year, while an average of approximately 25 net migrants will leave the county each year.
- Real per capita income is expected to rise by 1.5 percent in 2017. From 2017 to 2022, the growth rate of real per capita income will average 1.1 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to grow at an average annual rate of 1.6 percent between 2017 and 2022.
- Industrial production is expected to increase by 5.5 percent in 2017. Over the following five years, the level of industrial production will remain largely unchanged.
- Total crop production will increase by an average of 0.3 percent per year between 2017 and 2022. Cattle products account for the principal agricultural commodity in the county.



Del Norte County Economic Forecast

2010-2016 History, 2017-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	28,542	-126	27.4	9.9	61	\$204.3	\$0.77	\$30,241	1.3	41.4	23.3	13.2
2011	28,213	-375	26.8	9.9	73	\$211.8	\$0.80	\$31,018	2.7	46.0	23.2	13.3
2012	27,996	-261	26.2	9.9	28	\$226.5	\$0.81	\$30,911	2.7	43.1	16.0	13.5
2013	27,543	-516	26.5	9.8	15	\$234.7	\$0.82	\$31,572	2.3	44.6	18.9	11.8
2014	27,235	-370	26.1	9.8	16	\$240.5	\$0.85	\$32,461	2.8	46.3	17.2	10.1
2015	27,119	-161	27.2	9.7	18	\$240.3	\$0.90	\$34,054	2.6	47.9	20.1	8.6
2016	27,040	-134	28.0	9.7	19	\$245.8	\$0.94	\$34,806	3.0	49.1	25.2	7.5
2017	27,003	-65	28.0	9.8	21	\$257.1	\$0.98	\$35,314	3.1	49.3	26.6	6.8
2018	26,983	-52	28.0	9.8	21	\$269.2	\$1.02	\$35,752	3.0	49.4	27.1	6.5
2019	26,972	-41	28.0	9.8	22	\$282.1	\$1.06	\$36,154	2.6	49.6	26.6	6.2
2020	26,978	-24	28.0	9.8	22	\$294.8	\$1.10	\$36,579	3.1	49.7	26.5	6.2
2021	26,996	-11	28.0	9.8	23	\$307.1	\$1.15	\$36,979	3.0	49.8	26.1	6.3
2022	27,022	0	28.0	9.9	23	\$318.8	\$1.20	\$37,451	3.0	50.0	26.5	6.4
2023	27,051	4	28.0	9.9	23	\$330.5	\$1.25	\$37,967	3.0	50.1	26.7	6.6
2024	27,090	16	28.1	9.9	23	\$342.0	\$1.30	\$38,494	2.9	50.2	27.5	6.7
2025	27,123	13	28.1	9.9	23	\$353.4	\$1.35	\$39,015	2.9	50.4	27.8	6.8
2026	27,171	28	28.2	10.0	24	\$364.1	\$1.40	\$39,490	2.8	50.5	28.2	6.8
2027	27,199	11	28.2	10.0	23	\$374.5	\$1.44	\$39,959	2.9	50.6	28.6	6.8
2028	27,244	29	28.3	10.0	24	\$385.2	\$1.49	\$40,289	2.7	50.8	29.7	6.8
2029	27,295	38	28.3	10.0	24	\$395.4	\$1.55	\$40,650	2.5	50.9	30.5	6.7
2030	27,324	19	28.4	10.0	23	\$405.9	\$1.60	\$41,056	2.4	51.0	32.1	6.7
2031	27,359	27	28.5	10.1	23	\$417.1	\$1.65	\$41,474	2.3	51.2	33.0	6.7
2032	27,395	29	28.5	10.1	23	\$429.4	\$1.70	\$41,826	2.5	51.3	34.0	6.7
2033	27,410	9	28.6	10.1	23	\$440.6	\$1.76	\$42,314	2.1	51.4	34.6	6.6
2034	27,426	11	28.6	10.1	23	\$452.5	\$1.81	\$42,767	2.3	51.6	36.1	6.6
2035	27,440	11	28.7	10.1	23	\$464.6	\$1.87	\$43,204	2.4	51.7	36.9	6.6
2036	27,443	-1	28.7	10.2	22	\$477.8	\$1.94	\$43,548	2.8	51.8	37.0	6.6
2037	27,450	7	28.7	10.2	22	\$491.1	\$2.01	\$43,866	2.9	52.0	36.4	6.6
2038	27,439	-12	28.7	10.2	22	\$503.8	\$2.07	\$44,273	2.7	52.1	37.6	6.6
2039	27,438	0	28.8	10.2	22	\$517.2	\$2.15	\$44,619	2.9	52.2	38.1	6.6
2040	27,419	-17	28.8	10.2	21	\$530.2	\$2.22	\$45,011	2.8	52.4	37.8	6.6
2041	27,412	-6	28.8	10.3	22	\$542.6	\$2.30	\$45,451	2.6	52.5	37.6	6.6
2042	27,390	-21	28.8	10.3	21	\$554.8	\$2.37	\$45,948	2.5	52.6	39.5	6.5
2043	27,367	-23	28.8	10.3	21	\$566.8	\$2.45	\$46,478	2.4	52.8	40.5	6.5
2044	27,342	-25	28.9	10.3	21	\$578.1	\$2.53	\$47,070	2.2	52.9	40.6	6.5
2045	27,311	-32	28.9	10.3	21	\$590.3	\$2.61	\$47,622	2.4	53.0	40.8	6.5
2046	27,267	-46	28.9	10.4	20	\$602.3	\$2.70	\$48,236	2.3	53.2	43.3	6.5
2047	27,216	-52	28.9	10.4	20	\$614.5	\$2.78	\$48,864	2.3	53.3	44.7	6.5
2048	27,163	-56	28.9	10.4	20	\$626.9	\$2.87	\$49,507	2.3	53.4	45.1	6.4
2049	27,109	-58	28.9	10.4	20	\$639.6	\$2.97	\$50,166	2.3	53.6	45.7	6.4
2050	27,054	-60	29.0	10.4	20	\$652.6	\$3.07	\$50,849	2.3	53.7	48.7	6.4

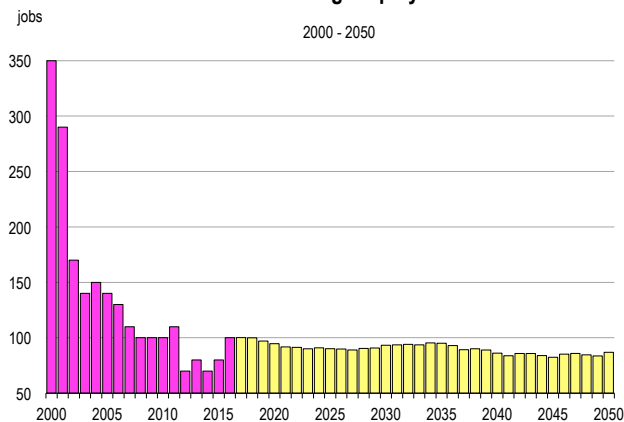


Del Norte County Employment Forecast

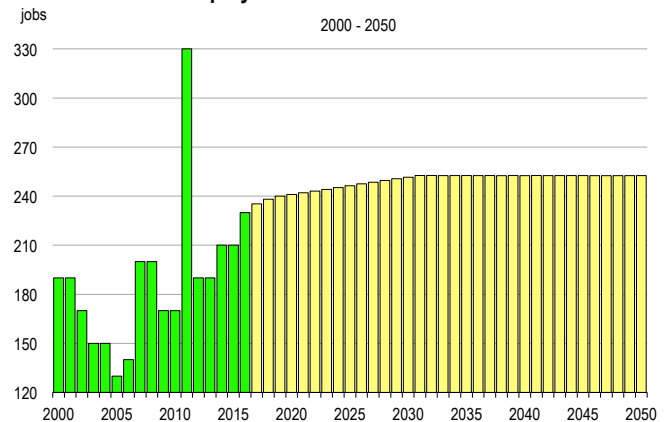
2010-2016 History, 2017-2050 Forecast

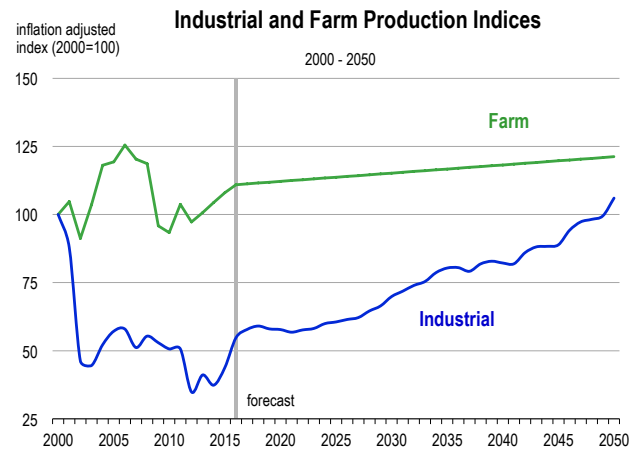
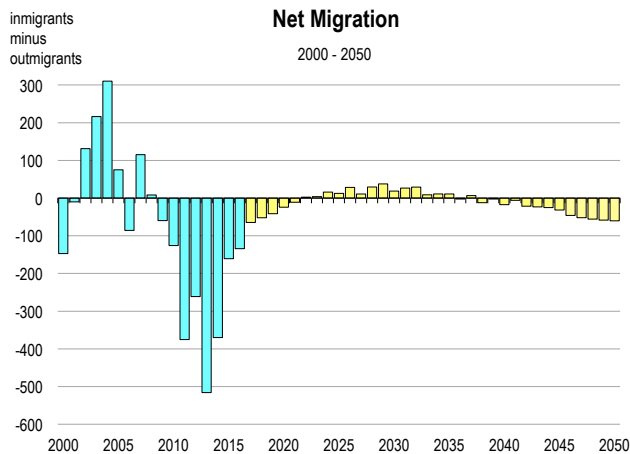
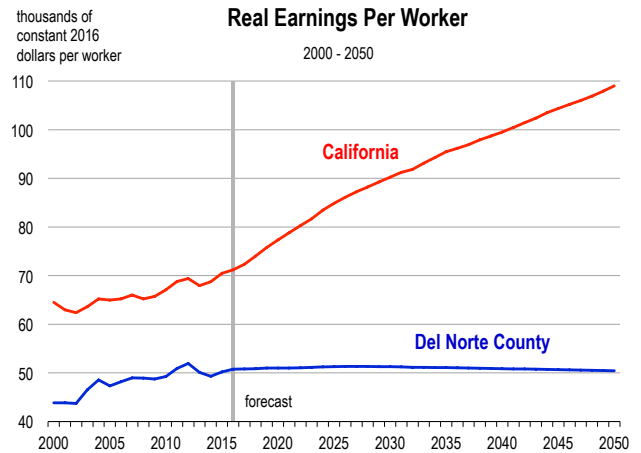
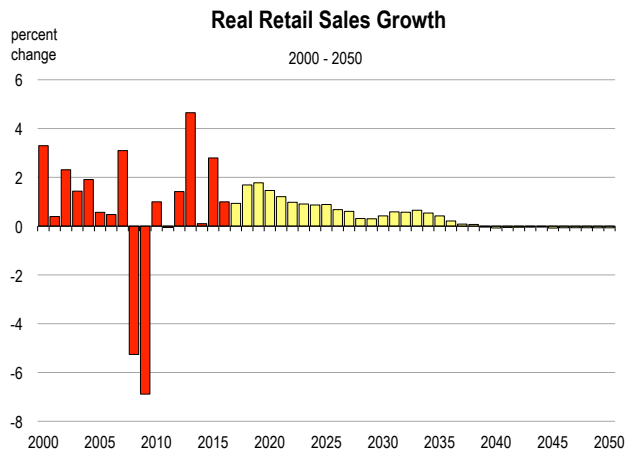
	Total Wage & Salary	Farm	Mining, Logging, & Construction	Manufac- turing	Trade, Transportation, & Utilities	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----											
2010	8.36	0.32	0.17	0.10	1.08	0.18	0.17	0.09	1.49	0.76	3.90
2011	8.31	0.28	0.15	0.11	1.11	0.18	0.33	0.09	1.39	0.73	3.83
2012	7.98	0.30	0.16	0.07	1.05	0.19	0.19	0.09	1.30	0.74	3.76
2013	8.08	0.33	0.16	0.08	1.06	0.19	0.19	0.09	1.42	0.77	3.66
2014	7.99	0.33	0.14	0.07	1.01	0.18	0.21	0.08	1.42	0.75	3.68
2015	8.13	0.31	0.15	0.08	1.01	0.19	0.21	0.08	1.40	0.76	3.84
2016	8.24	0.31	0.16	0.10	1.03	0.18	0.23	0.08	1.41	0.80	3.85
2017	8.25	0.30	0.16	0.10	1.03	0.18	0.24	0.08	1.43	0.80	3.86
2018	8.25	0.30	0.16	0.10	1.03	0.18	0.24	0.08	1.42	0.80	3.87
2019	8.27	0.30	0.16	0.10	1.03	0.18	0.24	0.08	1.43	0.80	3.88
2020	8.29	0.29	0.16	0.09	1.03	0.18	0.24	0.07	1.43	0.81	3.91
2021	8.29	0.29	0.16	0.09	1.03	0.18	0.24	0.07	1.44	0.81	3.90
2022	8.29	0.29	0.16	0.09	1.03	0.18	0.24	0.07	1.44	0.81	3.89
2023	8.29	0.29	0.16	0.09	1.03	0.18	0.24	0.07	1.45	0.81	3.89
2024	8.30	0.29	0.16	0.09	1.04	0.18	0.25	0.07	1.45	0.81	3.89
2025	8.32	0.29	0.16	0.09	1.04	0.18	0.25	0.07	1.46	0.81	3.90
2026	8.34	0.29	0.16	0.09	1.04	0.18	0.25	0.07	1.46	0.81	3.91
2027	8.36	0.29	0.16	0.09	1.04	0.18	0.25	0.07	1.47	0.81	3.93
2028	8.39	0.29	0.16	0.09	1.04	0.18	0.25	0.07	1.48	0.81	3.93
2029	8.41	0.29	0.16	0.09	1.05	0.18	0.25	0.07	1.49	0.82	3.95
2030	8.45	0.29	0.16	0.09	1.05	0.18	0.25	0.07	1.50	0.82	3.96
2031	8.48	0.29	0.16	0.09	1.05	0.18	0.25	0.07	1.51	0.82	3.98
2032	8.50	0.29	0.16	0.09	1.05	0.18	0.25	0.07	1.52	0.82	3.98
2033	8.53	0.29	0.16	0.09	1.05	0.18	0.25	0.07	1.53	0.82	4.00
2034	8.55	0.29	0.16	0.10	1.05	0.18	0.25	0.07	1.54	0.82	4.02
2035	8.58	0.29	0.16	0.10	1.05	0.18	0.25	0.07	1.55	0.82	4.03
2036	8.59	0.29	0.16	0.09	1.05	0.18	0.25	0.07	1.56	0.82	4.04
2037	8.60	0.29	0.16	0.09	1.05	0.18	0.25	0.07	1.57	0.82	4.04
2038	8.61	0.29	0.16	0.09	1.04	0.18	0.25	0.07	1.58	0.83	4.05
2039	8.62	0.29	0.16	0.09	1.04	0.18	0.25	0.07	1.59	0.83	4.05
2040	8.63	0.29	0.16	0.09	1.04	0.18	0.25	0.07	1.60	0.83	4.05
2041	8.64	0.29	0.16	0.08	1.03	0.18	0.25	0.07	1.60	0.83	4.06
2042	8.66	0.29	0.16	0.09	1.03	0.18	0.25	0.07	1.61	0.83	4.07
2043	8.68	0.29	0.16	0.09	1.03	0.18	0.25	0.07	1.62	0.83	4.09
2044	8.70	0.29	0.16	0.08	1.02	0.18	0.25	0.07	1.63	0.83	4.11
2045	8.72	0.29	0.16	0.08	1.02	0.18	0.25	0.07	1.63	0.83	4.12
2046	8.74	0.29	0.16	0.09	1.01	0.18	0.25	0.07	1.64	0.83	4.13
2047	8.75	0.29	0.15	0.09	1.00	0.18	0.25	0.07	1.65	0.84	4.15
2048	8.77	0.29	0.15	0.08	1.00	0.18	0.25	0.07	1.65	0.84	4.17
2049	8.79	0.29	0.15	0.08	0.99	0.18	0.25	0.07	1.66	0.84	4.18
2050	8.81	0.29	0.15	0.09	0.99	0.18	0.25	0.07	1.67	0.84	4.20

Manufacturing Employment



Employment in Professional Services





County Economic and Demographic Indicators

Projected Economic Growth (2017-2022)

Expected retail sales growth:	7.3%
Expected job growth:	0.4%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	6.1%

Expected population growth:	0.1%
Net migration to account for:	0%
Expected growth in number of vehicles:	0.3%

Demographics (2017)

Unemployment rate (April 2017):	6.6%
County rank* in California (58 counties):	38th
Working age (16-64) population:	64.1%

Population with B.A. degree or higher:	15.6%
Median home selling price (2016):	\$186,500
Median household income:	\$42,200

Quality of Life

Violent crime rate (2015):	607 per 100,000 persons
County rank* in California (58 counties):	54th
Average commute time to work (2017):	15 minutes

High School drop out rate (2016):	17.0%
Households at/below poverty line (2017):	17.1%

* The county ranked 1st corresponds to the lowest rate in California